



General Assembly

February Session, 2006

Amendment

LCO No. 4914

SB0000104914SD0

Offered by:

SEN. LEBEAU, 3rd Dist.

To: Subst. Senate Bill No. 1

File No. 526

Cal. No. 392

"AN ACT CONCERNING JOBS FOR THE 21ST CENTURY."

1 Strike lines 1 to 653, inclusive, and insert the following in lieu
2 thereof:

3 "Section 1. (NEW) (*Effective January 1, 2007*) (a) As used in this
4 section:

5 (1) "Commissioner" means the Commissioner of Economic and
6 Community Development; and

7 (2) "Economic cluster" means (A) an industry group that is linked
8 together through customer, supplier or other relationships and
9 recognized by the commissioner, or (B) health care establishments, as
10 defined in Sector 62, or manufacturing establishments, as defined in
11 Sectors 31 to 33, inclusive, in the North American Industrial
12 Classification System, United States Manual, United States Office of
13 Management and Budget, 1997 edition.

14 (b) The Commissioner of Economic and Community Development

15 shall establish a business employment incentive program under which
16 said commissioner may approve verified workplace investment
17 rebates for any business (1) that relocates to Connecticut from another
18 state or expands within Connecticut, (2) that is in an economic cluster,
19 (3) that hires and retains, for at least one year, five or more new, full-
20 time employees who are subject to the tax imposed by chapter 229 of
21 the general statutes, resulting in a net increase, for at least one year, of
22 five or more full-time employees for the business in Connecticut, and
23 (4) for which the commitment of said rebates is a material factor in the
24 decision of the business to relocate to Connecticut or expand within
25 the state. Any such rebate approved by the Commissioner of Economic
26 and Community Development shall be paid by the Commissioner of
27 Revenue Services.

28 (c) The amount of verified workplace investment rebates that may
29 be paid to an eligible business under this section shall be not less than
30 ten per cent or more than eighty per cent of the total amount withheld
31 by the business from the wages of each such new full-time employee of
32 the business pursuant to chapter 229 of the general statutes. Such
33 rebates may be paid for ten years after the business applies to the
34 Commissioner of Economic and Community Development for a
35 written commitment under subsection (d) of this section, subject to
36 verification under subsection (f) of this section. The Commissioner of
37 Economic and Community Development shall establish criteria for
38 determining such percentage amount based on the number of new,
39 full-time employees hired by such businesses.

40 (d) A business may apply to the Commissioner of Economic and
41 Community Development for a written commitment for verified
42 workplace investment rebates by submitting an application to the
43 commissioner, the form and substance of which shall be determined by
44 the commissioner. The business shall provide at least the following
45 information in the application: (1) The types of jobs that the business
46 will create, the schedule for hiring new employees and the number of
47 jobs to be created, by each salary range, (2) any other state, federal or
48 municipal funds received by the business, (3) the compensation

49 provided to (A) the chief executive officer of the business, regardless of
50 whether the corporate headquarters of the business are located in
51 Connecticut or outside the state, and (B) the chief executive officer of
52 the division of the business that is located in Connecticut, if the
53 corporate headquarters of the business are located outside the state
54 and such information is available to the public, (4) the financial
55 statements of the business for the three preceding fiscal years of the
56 business or, if the business has been in existence for less than three
57 fiscal years, financial statements of the business for the entire period of
58 its existence, (5) a summary of the labor and environmental record of
59 the business, including any violations of state, federal or municipal law
60 during the five preceding fiscal years of the business, (6) the names of
61 any other states seeking the retention or relocation of the business, (7)
62 a statement of how the written commitment will affect the decision of
63 the business to relocate to or expand within the state, (8) a market
64 analysis of the industry in Connecticut in which the business is or
65 would be operating, to the extent available, (9) whether the business
66 offers health insurance to all of its full-time employees, and (10) any
67 other information required by the Commissioner of Economic and
68 Community Development. The business shall include an application
69 fee of five hundred dollars with such application. All information
70 contained in the application shall be confidential, except the
71 commissioner may disclose such information in accordance with the
72 Freedom of Information Act under chapter 14 of the general statutes if
73 the commissioner issues a written commitment to the applicant under
74 subsection (e) of this section.

75 (e) The Commissioner of Economic and Community Development
76 may issue a written commitment to any applicant that the
77 commissioner determines has qualified for verified workplace
78 investment rebates under subsections (a) to (d), inclusive, of this
79 section. In assessing an application for a written commitment, the
80 commissioner shall consider, among other factors, the information
81 provided by the business pursuant to subdivisions (1) to (10),
82 inclusive, of subsection (d) of this section. A business that receives a

83 written commitment may be paid such rebates for each twelve-month
84 period during the period beginning on the date of the business's
85 application for such commitment and ending ten years after said date,
86 subject to verification under subsection (f) of this section of the new
87 jobs created and retained by the business. A written commitment shall
88 specify the percentage that will be applied in calculating the portion of
89 the state income tax withholding paid by the business for new
90 employees that will be rebated to the business.

91 (f) A business that has received a written commitment may apply to
92 the Commissioner of Economic and Community Development for
93 disbursement of a rebate for a twelve-month period by (1) certifying
94 that it has (A) hired the minimum number of new, full-time employees
95 specified in subsection (b) of this section and retained such employees
96 for the twelve-month period covered by the application, and (B)
97 withheld an amount from each such employee's wages that is
98 substantially equivalent to the state income tax that is reasonably
99 estimated to be due from the employee with respect to such wages
100 pursuant to chapter 229 of the general statutes during such period and
101 paid such amount to the Commissioner of Revenue Services, and (2)
102 documenting the amount of such withholding and payment. The
103 Commissioner of Economic and Community Development may
104 approve an application for disbursement of such rebate upon verifying
105 the information certified in the application. If the commissioner
106 approves an application, the commissioner shall (A) determine the
107 amount of the rebate payable to the business, and (B) notify the
108 Commissioner of Revenue Services of the name and address of the
109 business and such amount. Upon receipt of such notice, the
110 Commissioner of Revenue Services shall, no later than the last day of
111 the twelfth month after the month during which the business files its
112 annual reconciliation of withholding, on a form prescribed by the
113 Commissioner of Revenue Services, notify the State Comptroller of the
114 amount of the verified workplace investment rebate, and the State
115 Comptroller shall draw an order on the State Treasurer in said amount
116 for payment to the applicant from the revenues of the General Fund.

117 (g) The Commissioner of Economic and Community Development
118 may revoke a written commitment for a business at any time if said
119 commissioner determines that the business has not complied with the
120 provisions of this section or such commitment.

121 (h) The commissioner shall issue not more than ten million dollars
122 in grants in any fiscal year.

123 (i) Not later than February 1, 2009, the Commissioner of Economic
124 and Community Development shall submit a report to the joint
125 standing committee of the General Assembly having cognizance of
126 matters relating to economic development, in accordance with the
127 provisions of section 11-4a of the general statutes, on the business
128 employment incentive program. Said report shall include, but not be
129 limited to, (1) an analysis of the effectiveness of the program and the
130 impact of the program on state revenues, (2) the number and types of
131 businesses that have applied under the program and the names of the
132 businesses issued written commitments under subsection (e) of this
133 section, (3) the number of new, full-time jobs created under the
134 program, (4) the total amount of application fees received by the
135 Commissioner of Economic and Community Development, and (5) the
136 total amount of verified workplace investment rebates paid under the
137 program.

138 Sec. 2. Subsection (b) of section 32-235 of the 2006 supplement to the
139 general statutes is repealed and the following is substituted in lieu
140 thereof (*Effective January 1, 2007*):

141 (b) The proceeds of the sale of said bonds, to the extent of the
142 amount stated in subsection (a) of this section, shall be used by the
143 Department of Economic and Community Development for the
144 purposes of sections 32-220 to 32-234, inclusive, including economic
145 cluster-related programs and activities, and for the Connecticut job
146 training finance demonstration program pursuant to sections 32-23uu
147 and 32-23vv provided, (1) three million dollars shall be used by said
148 department solely for the purposes of section 32-23uu and not more

149 than five million two hundred fifty thousand dollars of the amount
150 stated in said subsection (a) may be used by said department for the
151 purposes of section 31-3u, (2) not less than one million dollars shall be
152 used for an educational technology grant to the deployment center
153 program and the nonprofit business consortium deployment center
154 approved pursuant to section 32-41l, (3) not less than two million
155 dollars shall be used by said department for the establishment of a
156 pilot program to make grants to businesses in designated areas of the
157 state for construction, renovation or improvement of small
158 manufacturing facilities provided such grants are matched by the
159 business, a municipality or another financing entity. The commissioner
160 shall designate areas of the state where manufacturing is a substantial
161 part of the local economy and shall make grants under such pilot
162 program which are likely to produce a significant economic
163 development benefit for the designated area, (4) five million dollars
164 may be used by said department for the manufacturing
165 competitiveness grants program, (5) one million dollars shall be used
166 by said department for the purpose of a grant to the Connecticut
167 Center for Advanced Technology, for the purposes of section 32-237,
168 [and] (6) ten million dollars shall be used by said department for the
169 purpose of grants to the United States Navy or eligible applicants for
170 projects related to the enhancement of infrastructure for long-term, on-
171 going naval operations at the United States Naval Submarine Base-
172 New London, located in Groton, which will increase the military value
173 of said base, and (7) a portion of said bond proceeds may be used by
174 the Department of Economic and Community Development and
175 Revenue Services and the Comptroller for administrative costs
176 incurred by said departments and Comptroller in carrying out the
177 purposes of section 1 of this act."